

# FACT SHEET

## Government help for small business owners



### CANADA EMERGENCY WAGE SUBSIDY

- Covers **75%** of employees' pre-crisis wages, up to **\$847** per employee per week for up to **12 weeks**, backdated to **August 29**
- Employers must apply **each month**
- To be eligible, employers must attest to a **15% decline** in revenue for March 2020 and a **30% decline** in revenue for each of April and May 2020 compared to either the same month in 2019 or to the average revenue from January and February 2020
- Employers must attest that they are doing everything they can to pay the remaining **25%** of employees' income
- Applications open on April 27 via the CRA *My Business* portal
- Please click the following link for more information and to calculate your potential entitlement: <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

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### TEMPORARY WAGE SUBSIDY FOR SMALL AND MEDIUM EMPLOYERS

- Covers up to **10%** of employee wages from March 18 to June 19, 2020, up to **\$1,375** for each eligible employee and to a maximum of **\$25,000** total per employer
- Available to Canadian-controlled private corporations with **less than \$15 million** in taxable capital employed in Canada for the preceding taxation year, calculated on an associated group basis
- Eligible employers may take advantage of subsidy by keeping applicable amount of employee income tax deductions (not EI or CPP) rather than remitting them
- If employer is eligible for both **10%** and **75% subsidy**, the amount the employer receives from the 10% subsidy will reduce the amount the employer is otherwise eligible to receive from the 75% subsidy (i.e. employers cannot take both subsidies)



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### CANADA EMERGENCY BUSINESS ACCOUNT

- Available to Canadian employers with **\$20,000 to \$1.5 million** in total payroll in 2019, and operating as of March 1, 2020
- Under CEBA, financial institutions will be able to provide interest-free credit facilities of up to **\$40,000** to eligible businesses
- If the loan is repaid by December 31, 2022, **25 per cent (up to \$10,000)** will be forgiven
- If the loan is not repaid by December 31, 2022, the remaining balance will be converted to a **three-year term loan at 5 per cent interest**
- Consult with your financial institution for further details and to apply



### OTHER FINANCIAL SUPPORT

- Deferral of income tax payment deadline until **end of August 2020**
- Deferral of sales tax remittance and customs duty payments **until June 30, 2020**
- Deferred local and other provincial taxes and levies – consult applicable province's COVID-19 information page

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### CANADA EMERGENCY COMMERCIAL RENT ASSISTANCE PROGRAM (CECRA)

- The federal government and provincial government are working together to provide forgivable loans to qualifying commercial property owners to cover **50% of the rent** otherwise payable by eligible small businesses during April, May and June
- These loans will be forgiven if property owner agrees to reduce their tenant's rent by **at least 75%** and agree **not to evict the commercial tenant for the three months**
- Rent forgiveness agreements include the following terms:
  - The commercial tenant will be responsible for **25%** of the monthly rent;
  - The property owner will be responsible for **25%** of the monthly rent that would otherwise be paid by the tenant; and
  - The federal government and provinces will cover the **remaining 50%** by way of a forgivable loan paid directly to the property owner's mortgage lender
- To qualify, small business tenants must:
  - Pay **less than \$50,000 per month** in rent; and
  - Have experienced a revenue reduction of **at least 70%** (compared to the same month in 2019 or an average of January and February 2020 revenues), or have temporarily ceased operations altogether
- Further details to be released in May



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